

Draft: For Settlement Purposes Only

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this ____ day of _____ 2012 by and among PM Hotel Associates and Parker Palm Springs LLC (collectively, "Parker") and Starwood (M) International, Inc. ("Starwood") (Starwood and Parker collectively, the "Parties," or singularly, a "Party".)

RECITALS

WHEREAS, PM Hotel Associates is the owner of the Le Parker Meridien New York Hotel (the "Parker NY"), and Parker Springs LLC is the owner of the Le Parker Meridien Palm Springs Hotel (the "Parker Palm Springs") (the Parker NY and the Parker Palm Springs collectively referred to as the "Hotels");

WHEREAS, Starwood and PM Hotel Associates are parties to certain agreements related to the operation of the Parker NY including, but not limited to a license agreement dated as of July 31, 1996, as amended (the "Parker NY License Agreement"), and Starwood and Parker Palm Springs LLC are parties to certain agreements related to the operation of the Parker Palm Springs including, but not limited to a license agreement dated as of May 28, 2003, as amended (the "Parker Palm Springs License Agreement") (such agreements collectively referred to as the "License Agreements");

WHEREAS, Starwood has notified Parker of claims relating to reimbursements paid under the Starwood Preferred Guest ("SPG") Program (the "Dispute");

WHEREAS, the Parties and their respective counsel have engaged in substantial negotiations and now desire to resolve the Dispute; and

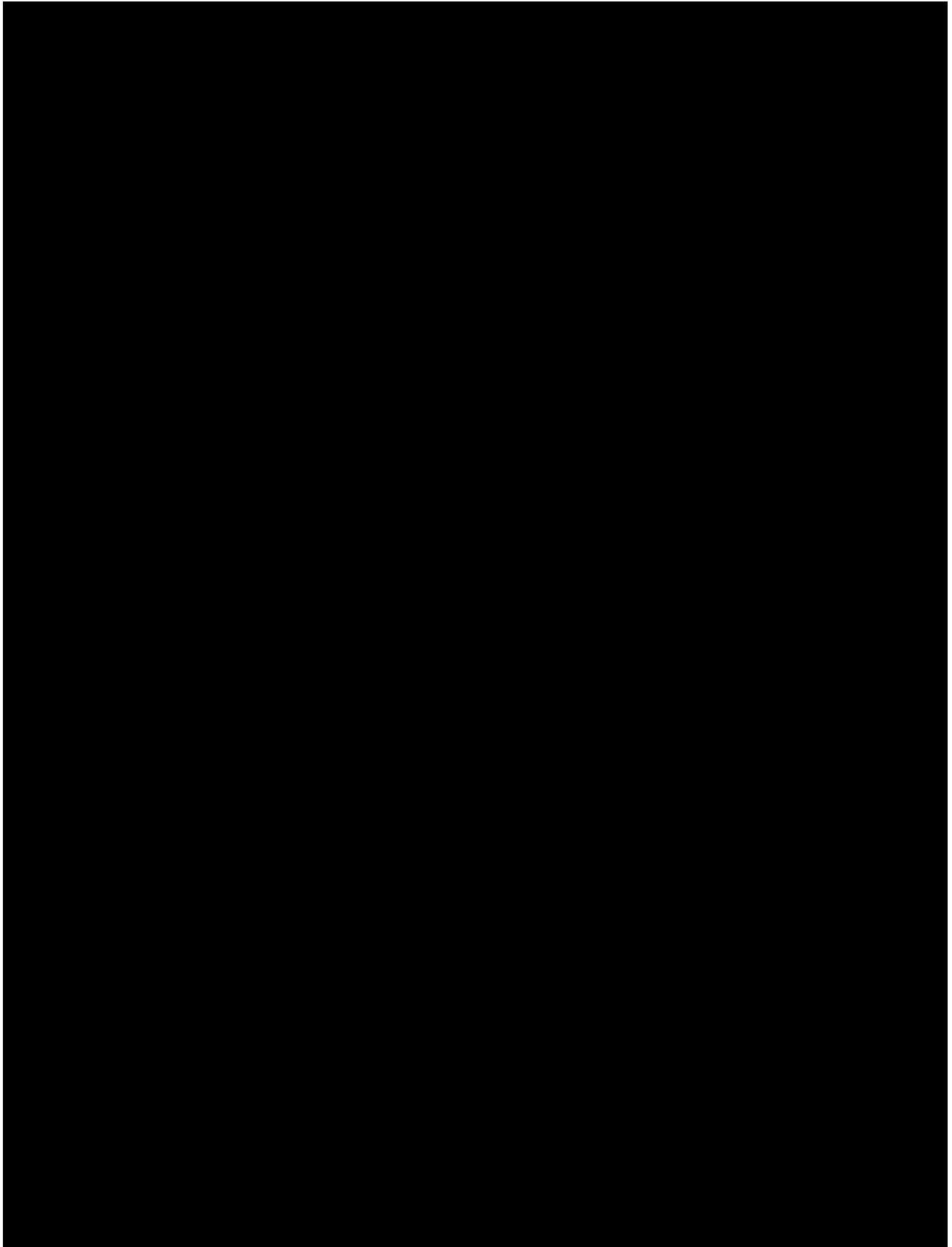
WHEREAS, on the terms and conditions set forth below, the Parties desire to settle and terminate the Dispute and to amend certain terms of the License Agreements.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties enter into this Settlement Agreement ("Agreement") and agree as follows:

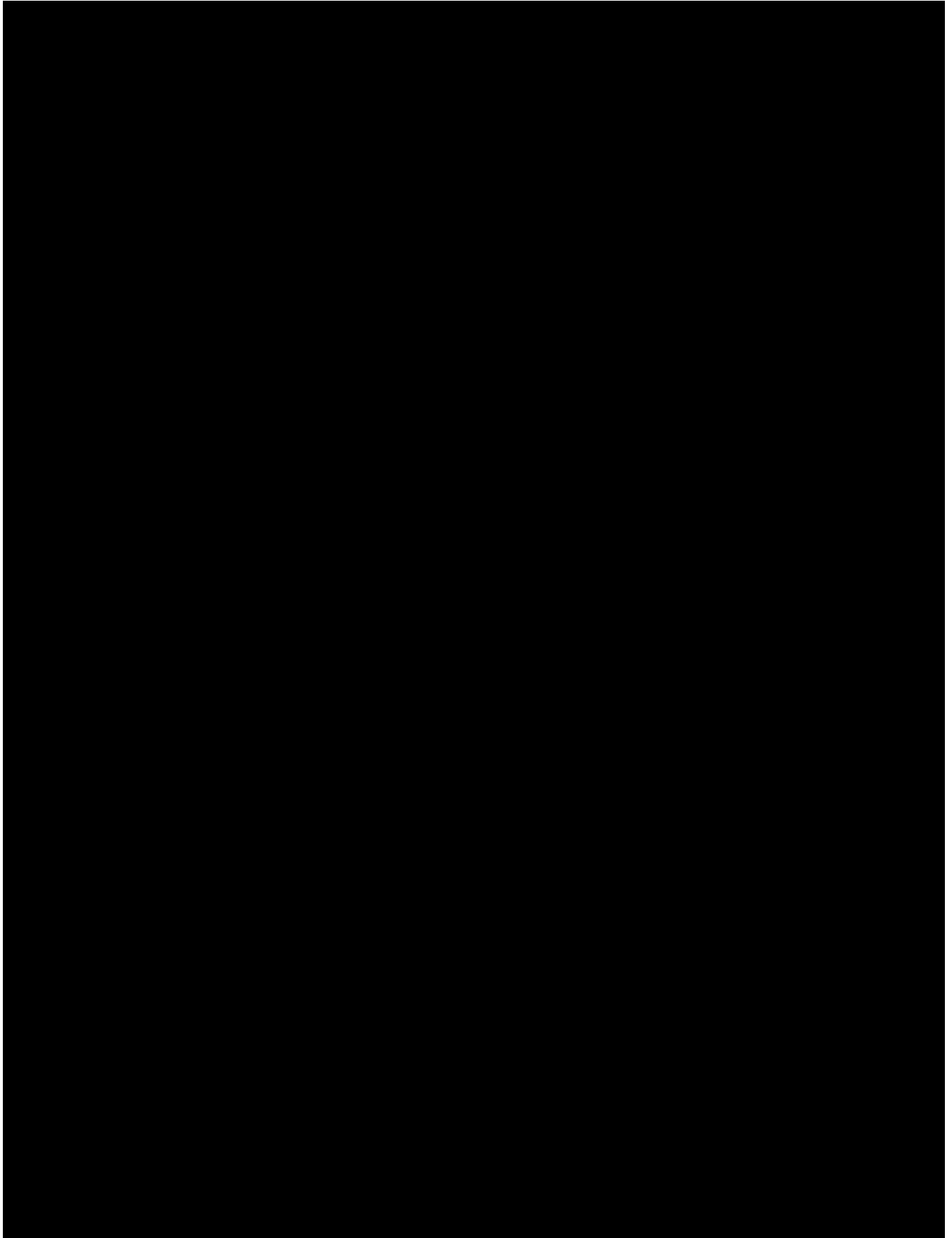
1. Reimbursement Payment

In accordance with the terms and conditions of this Agreement and contemporaneously with the execution of this Agreement, Parker will pay by wire transfer the following amounts (collectively, the "Reimbursement Payment"): (a) \$694,359.00 to Starwood representing return of certain SPG reimbursements paid to Parker related to the Parker NY (\$637,027.00) plus one year of interest at 9% (\$57,332.00); and (b) \$310,294.00 to Starwood representing return of certain SPG reimbursements paid to Parker related to the Parker Palm Springs (\$284,673.00) plus one year of interest at 9% (\$25,621.00).

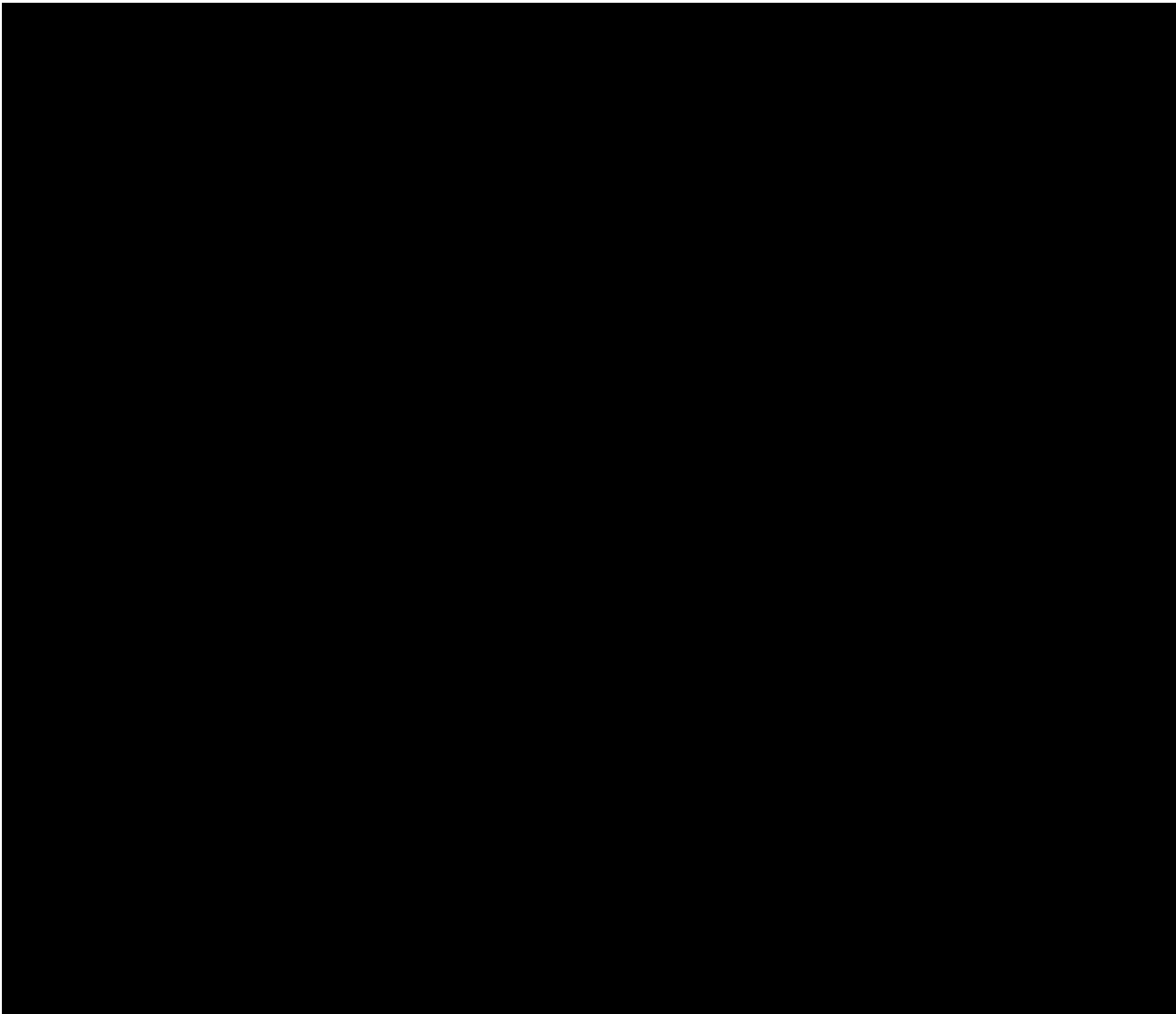
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IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the date first above written.

STARWOOD (M) INTERNATIONAL, INC.

PM HOTEL ASSOCIATES

By: _____
Name:
Title:

By: _____
Name:
Title:

PARKER PALM SPRINGS LLC

By: _____
Name:
Title: